MESSAGE

OF THE

GOVERNOR,

IN RELATION TO THE

PERMANENT LOAN.

READ IN THE HOUSE OF REPRESENTATIVES, MARCH 7, 1839.

HARRISBURG:
BOAS & COPLAN—PRINTERS.
1839.

MESSAGE.

To the Senate and House of Representatives of the Commonwealth of Pennsylvania.

GENTLEMEN:—In pursuance of the act of the general assembly of this commonwealth passed the 26th January last, entitled "an act authorising a loan" public notice was given by the Secretary of the commonwealth on the 4th day of February last, that proposals would be received at his office until two o'clock P. M., on Tuesday the fifth day of March 1839, for loaning one million two hundred thousand dollars to the commonwealth for the purposes set forth in said act, reimbursable at any time after twenty years from the first day of July next, and bearing an interest not exceeding five per cent per annum, payable semi-annually. A copy of which notice is herewith communicated.

I regret to say that no proposals have been received in pursuance of this invitation, and this too at a time when, it is conceded that money is not scarce, and the credit of the State is unimpaired.

How long the representatives of a free people will submit to a state of things manifestly brought about by a combination among the institutions of their own creation, it is for the legislature to determine, but there is certainly a manifest impropriety in permitting the monied resources of the commonwealth to be used to her own injury. She owns of the capital stock of the bank of Pennsylvania 3750 shares at $400, amounting at their par value to $1,500,000
5233 shares in the Philadelphia Bank at $100 523,300
1708 shares in the Farmers and Mechanics Bank at $50 85,400

Amounting in the whole to $2,108,700

And which are believed to be worth a considerable advance. Every days' experience strengthens me in the opinion, long since formed,

that all connection should be dissolved between the commonwealth and the banks in which she holds stock, and thus relieve her from the humiliating attitudes she occupies of being the holder of three-fifths of the whole capital stock in one of said banks, and unable to control the direction of a single dollar of its loans. Believing firmly that such a divorce will be beneficial to the interests of the commonwealth, I earnestly recommend the immediate passage of a law authorizing the sale of the bank stock held by the commonwealth as aforesaid.

This administration has been but little over a month in power, and has been obliged to ask loans to pay off engagements which it had no hand in contracting, and finds itself embarrassed in its outset for want of means to meet the engagements of the commonwealth. So far as it has the ability, its exertions will continue to be steadily directed to discharge the public liabilities, and maintain unsullied the public faith. If in its efforts so to do, difficulties are interposed by attempts at combination among monied men and monied institutions, they most assuredly will discover, that so long as the executive power remains in the hands in which it is now placed, they never shall control either its political or fiscal operations; but that this great commonwealth must, and will rise superior to all such attempts.

All experience goes to show that the evils anticipated by many of the best and most sagacious statesmen, from the grants of corporate powers to monied institutions, have been more than realized, and should admonish us to be cautious in continuing to make such unrestricted grants.

With no desire to create distrust or alarm, I cannot but feel that it is the misuse and abuse of the powers thus committed to such institutions, that have more than once led to the embarrassments in the monetary concerns of the country. I cannot close this communication without appealing to the legislature, and calling upon them by every principle of patriotism, to take such action in this matter as will enable the state to vindicate her character and credit, and to take immediate measures for separating the state from all connection with a set of institutions that have so repeatedly disappointed the just expectations of the public, and on which no reliance can be placed when the exigencies of the state may require a call upon them.

DAVID R. PORTER.

EXECUTIVE CHAMBER, March 7, 1839.

Office of the Secretary of the Commonwealth,
HARRISBURG, Feb. 4th, 1839.

PENNSYLVANIA CANAL AND RAIL-ROAD LOAN.

NOTICE is hereby given, that pursuant to the provisions of an act of the General Assembly of this Commonwealth passed the 26th day of January, A. D. 1839, entitled "An act authorizing a loan," proposals will be received at the office of the Secretary of the Commonwealth until 2 o'clock, P. M., on TUESDAY, the 5th March, 1839, for loaning to the Commonwealth for the purposes set forth in said act, the sum of ONE MILLION TWO HUNDRED THOUSAND DOLLARS. The principal to be reimbursable by the state at any time after the expiration of twenty years from the first day of July next. Certificates of stock, signed by the Auditor General and countersigned by the State Treasurer, bearing an interest not exceeding five per cent. per annum, payable semi-annually, transferable on the books of the Auditor General, or at the Bank of Pennsylvania, by the owner or owners of the same, his, her or their attorney, will be issued by the direction of the Governor, and new certificates of the same may be issued by the Auditor General and State Treasurer, or by the president and cashier of the said bank to the new holder or holders. The interest to be paid semi-annually, either at the Treasury office, or at the Bank of Pennsylvania, or elsewhere according as may be agreed upon between the Governor and the original purchaser of the stock.

The proposals will be required to state explicitly the amount offered, the rate of interest not exceeding five per cent. and the premium proposed to be given on every hundred dollars of stock bearing interest according to the rate agreed upon. The state reserves the right to accept the whole, or any part of the sum offered, unless the proposals stipulate to the contrary. Bids for the loan must be direct and explicit; no conditional or hypothetical proposal will be considered or received. Upon the acceptance of the proposals, the money is to be paid into the state treasury, or into some convenient chartered bank of the state, to be designated by the governor, in such proportions and at such times as he shall direct; and upon the delivery of receipts therefor from the treasurer or cashier, as the case may be; certificates of stock will be issued in such amounts as may be requested by the lenders. The proposals to be directed under seal to this office endorsed, "*Pro-*

posals for Loan." They will not be opened or disclosed until the period has elapsed for receiving them, after which no alterations in the terms will be admitted.

FRANCIS R. SHUNK,

Feb. 7. Secretary of the Commonwealth.

Pennsylvanian and U. S. Gazette, Philadelphia; Evening Post and Journal of Commerce, New York; Post and Atlas, Boston; Republican and American, Baltimore; insert three weeks, daily, and forward accounts to office of Secretary of Commonwealth for payment.

Digitized by the Internet Archive
in 2017 with funding from
This project is made possible by a grant from the Institute of Museum and Library Services as administered by the Pennsylvania Department of Education through the Office of Commonwealth Libraries

https://archive.org/details/messageofgoverno00penn_6